

# Health Homes Rate Development



# Health Homes Payment and Principles Parameters

## Basic Payment Structure

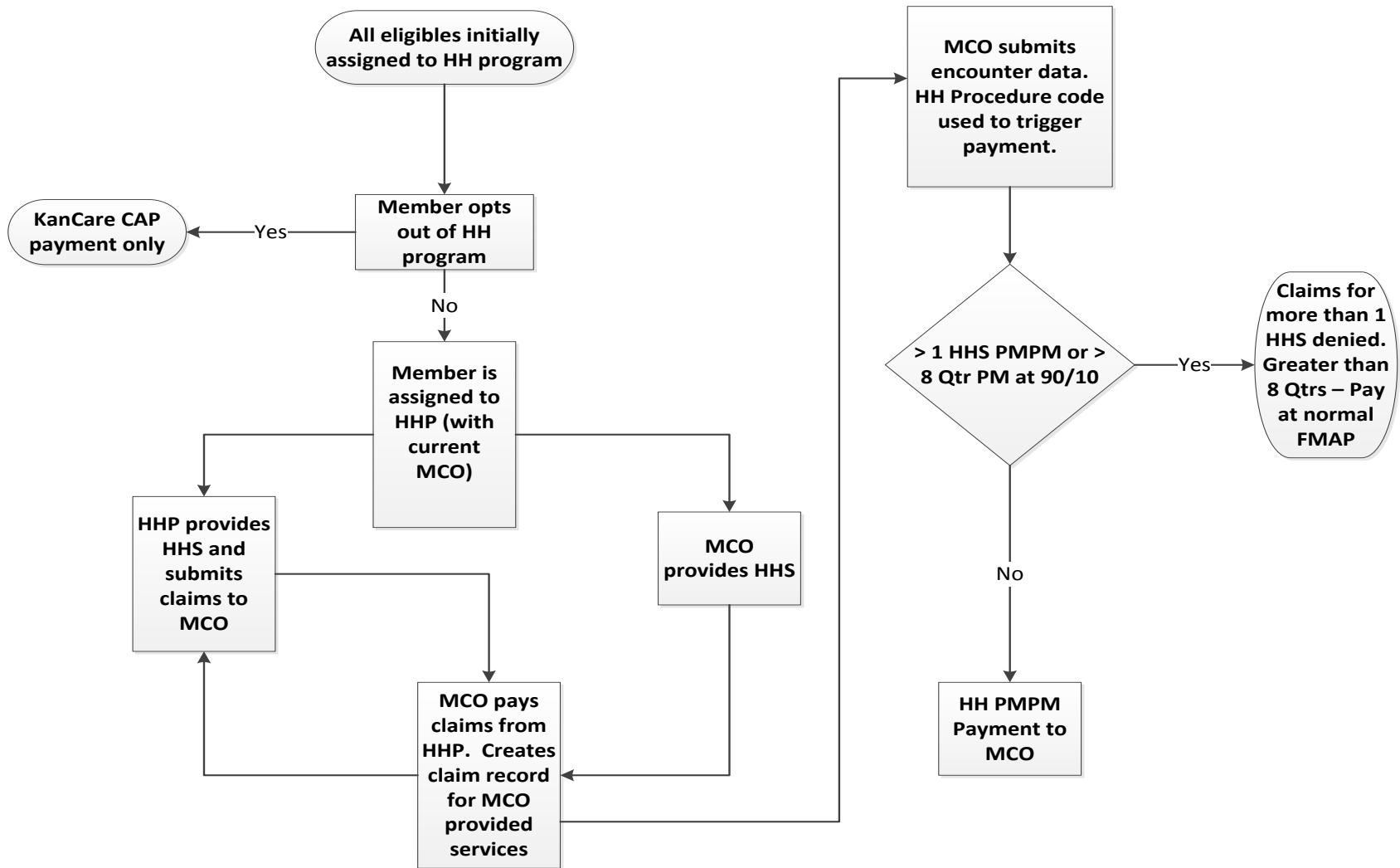
- The state will pay each MCO a per member per month payment for each member enrolled in a health home who received a service.
- MCO will contract with HHP to provide services. Some services may be provided jointly as negotiated in their contracts.
- The state approves any non-PMPM payment arrangements. Reviews PMPM Rates.

# Health Homes Payment and Principles Parameters

## Payment Principles

- State PMPM payments to the MCOs will be adequate to ensure quality services
- MCO payments to HHPs will be adequate to ensure sustainability and quality of services
- State health home payments to the MCOs will be actuarially sound
- Will not duplicate payment for Care Management Services

# Health Homes Payment



# Rate Development Objectives

- Develop payment methodology for KanCare health homes program and the State Plan Amendment
- Determine how and what payment rate for health home services will be made to KanCare MCO's
- Review MCO and health home partner payment negotiations
- Collaborate with actuaries to develop rates
- Adequate – Sustainable – No Duplication

# Rate Development

- Identify Target Population
- KanCare Rate Cohorts
  - Cohort Assignment
  - Comprehensive Care Management
- Stratify Target Population
- Professional Costs
- Mix of Staffing Professionals
- Service Utilization
- Assign non-medical load/PMPM

# Rate Development

- Target Population
  - SMI – Approximately 36,000
- KanCare Rate Cohorts
  - Assigned to at least 1 of the 54 rate cohorts
  - CCM 45/54 rate cohorts

# Rate Development

- Stratify Target Population
  - SFY 10 to SFY 12 Base Data
  - Utilization of Services
  - Specific Only to Target Population
  - 45 Rate Cohorts to 4 Tiers



# Rate Development

- Professional Costs (5 Professions)
  - Physician, Psychologist, Nurse Care Coordinators, Social Worker, Peer Support Specialist
  - Allocation of Professional Resources
    - Physician/Psychiatrist – Member Visits
    - Nurse Care Coordinators, Social Worker, Peer Support Specialists - % of Time/Service by Tier

# Rate Development

- Professional Costs (continued)
  - Determine Cost of Professionals
  - Physician/Psychiatrist – Per Visit (CCM/CTC/Health Promotion)
  - Nurse Care Coordinator, Social Worker, Peer Support Specialist – Annual Compensation
    - Bureau of Labor Statistics – Kansas Specific
    - Includes Burden Rate

# Rate Development

- Mix of Staffing Professionals
  - Physician/Psychiatrist – Member Visits
    - Consistent for CCM, HP, CTC
  - Nurse Care Coordinator, Social Worker, Peer Support Specialists.
    - Varies by Service –
    - CCM/CC/CTC – 70% Social Worker – 30% Nurse Care Coordinator.
    - IFS/RTCSS – 70% Peer Support Specialist – 20% Social Worker – 10% Nurse Care Coordinator

# Rate Development

- Service Utilization
    - Nurse Care Coordinator, Social Worker, Peer Support Specialists
      - Hours Per Member Per Month – Varies by Tier
      - Use of Average Hourly Rate as Determined from Professional Costs/Mix of Professionals
      - Rate Varies by Service
        - CCM/CTC/CC – \$45.31 to \$50.76
        - IFS/RTCSS – \$21.42 to \$32.70
    - Physician/Psychiatrist
      - Visits Per Member
      - Varies by Service – CCM/CTC/HP
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# Rate Development

- Non-Medical Load
  - Burden Rate In Professional Costs
  - Administration – 12%

# Rate Development

- Identify Target Population
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# Draft Rate Table

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## HH Draft Rate Development - SMI

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Tier	FY12 SMI MMs	Low Estimate		High Estimate	
Tier 1	96,969	\$	117.21	\$	146.34
Tier 2	115,210	\$	153.51	\$	177.16
Tier 3	108,684	\$	185.17	\$	255.17
Tier 4	38,184	\$	327.48	\$	380.80
	359,047	\$	171.79	\$	214.11

# NEXT STEPS

- Rate Approval Steering Committee/CMS
- Rate Methodology Into SPA
- Chronic Condition (CC) Spa Rates





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